

Vermont's congressional delegation – Sen. Patrick Leahy and Sen. Bernie Sanders and Rep. Peter Welch – has introduced legislation to extend a vital safety net that helps dairy farmers ride out downturns in milk prices. Without action, dairy farmers could face a severe drop in support from the MILC safety net come September 1st.

The MILC Continuation Act of 2012 would extend for one year the Milk Income Loss Contract (MILC) program at current support levels, which helps dairy farmers when the price of milk falls below \$16.94 per hundredweight. Once triggered, farmers receive 45 percent of the difference between that price and the current price of milk, which also takes into account feed costs as a factor in triggering program payments.

The Farm Bill, which authorizes many programs under the purview of the U.S. Department of Agriculture – including the dairy safety net – is set to expire October 1, 2012. For the last month of the Farm Bill, after August 31st, the MILC program support levels for dairy farmers drop significantly. That would leave dairy farmers exposed without a sufficient safety net. Although the delegation is committed to passing a Farm Bill with dairy reforms this year, with prospects for that bill uncertain, this legislation would ensure there is no lapse in the safety net for dairy farmers.

Leahy, the most senior member of the Senate Agriculture Committee, said, "While many in agriculture are focused only on September 30th when the Farm Bill expires, we in dairy know that we are in a unique position and the date that really matters is August 31st. We cannot have our nation's dairy farmers left exposed without a sufficient safety net. The MILC Continuation Act addresses this problem and ensures an extension of the MILC program until we are able to enact the important dairy reforms we are negotiating for the Farm Bill. We are working to include a Margin Insurance Program and a Dairy Stabilization Program. I remain committed to passing a Farm Bill this year, and I am pleased that Senator Stabenow, who chairs the Agriculture Committee, has announced a hearing schedule that will allow us to continue evaluating policy solutions so we can swiftly and effectively craft the 2012 Farm Bill."

"Dairy is a major part of Vermont agriculture and farmers are entitled to a fair price. Vermont's dairy farms are the backbone of our rural economy. The program we are working to renew will give farmers vital and essential support if milk prices fall – and enable dairy farmers to continue the productive work they do," said Sen. Sanders. "Extending this program for a year will allow the Congress to come up with a long-term solution for the huge fluctuation in the price farmers are paid for their milk."

Welch, a member of the House Agriculture Committee, said, "Vermont's dairy farmers are hard-working and resilient. They have endured bad weather, high energy prices and low milk prices. What they cannot endure is the loss of this vital safety net. However Congress proceeds, it has to ensure dairy farmers are not left stranded."

When milk prices plunged in 2009, the MILC program was a critical lifeline for many Vermont dairy farmers.